

CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No.124/TL/2023

Coram:

Shri Jishnu Barua, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri P.K. Singh, Member

Date of Order: 9th August, 2023

In the matter of

Application under Sections 14, 15, 79(1)(e) of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to grant of transmission license to Khavda II-A Transmission Limited.

And

In the matter of

Khavda II-A Transmission Limited,
C 105, Anand Niketan,
New Delhi 110021

... Petitioner

Vs

1. Central Transmission Utility of India Limited,
Saudamini, Plot No.2, Sector-29,
Gurgaon-122 001
2. REC Power Development and Consulting Limited,
REC Corporate Head Quarter, D Block, Plot No. I – 4,
Sector 29 Gurugram – 122 001
3. Madhya Pradesh Power Management Company Limited,
Block No. – 11, Ground Floor, Shakti Bhavan,
Vidhyut Nagar, Rampur,
Jabalpur – 482 008, Madhya Pradesh
4. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur- 492013, Chhattisgarh
5. Maharashtra State Electricity Distribution Company Limited,

Prakashgad, 4th Floor, Bandra (East),
Mumbai – 400051

6. Gujarat Urja Vikas Nigam Limited,
Vidhyut Bhavan, Race Course,
Vadodara – 390007

7. DNH Power Distribution Corporation Limited,
66 kV, Amlī Ind. Estate,
Silvasa – 396230
Dadar Nagar Haveli

8. Electricity department, Government of Goa,
Vidyut Bhavan, Near Mandvi Hotel,
Panaji, Goa – 403001

9. Electricity Department, Administration of Daman and Diu,
Plot No. 35, OI DC Complex, Near Fire Station,
Daman-396210

....**Respondents**

Parties present:

Shri Bhavesh Kundalia, KIIATL
Shri Ajay Kumar, CTUIL
Shri Sidharth Sharma, CTUIL
Ms. Kavya Bhardwaj, CTUIL

ORDER

The Petitioner, Khavda II-A Transmission Limited, has filed the present Petition for the grant of a transmission licence under Sections 14 and 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “the Transmission Licence Regulations”) to establish the Inter-State Transmission System for “Transmission scheme for evacuation of 4.5 GW RE Injection at Khavda PS under Phase II- Part A”, on a Build, Own, Operate and Transfer (BOOT) basis (hereinafter referred to “Transmission System” or “Project”) consisting of the following elements:

| | Name of the Transmission Element | Scheduled COD in months from Effective Date |
|----|---|--|
| 1. | KPS2 (GIS) – Lakadia 765 kV D/C line | 24 months |
| 2. | 330 MVAR switchable line reactors at KPS2 end of KPS2 (GIS) – Lakadia 765 kV D/C line <ul style="list-style-type: none"> • 330 MVA_r, 765 kV switchable line reactor- 2 nos. • Switching equipments for 765 kV line reactor- 2 nos. 1x110 MVA_r spare bus reactor available at KPS2 (GIS) to be used as spare | |
| 3. | 2 nos. of 765 kV line bays each at Lakadia PS & KPS2 (GIS) for Khavda PS2 (GIS)- Lakadia PS 765 kV D/c line <ul style="list-style-type: none"> • 765 kV line bays (GIS) -2 Nos. (for KPS2 end) • 765 kV line bays (AIS)-2 Nos. (for Lakadia end) | |

Note:

1) *Transmission system for evacuation of 3 GW RE injection at Khavda is being taken up under Phase-I. Phase-II RE scheme for evacuation of 4.5 GW RE injection at Khavda needs to be taken up for evacuation requirement beyond 3 GW from Khavda RE park.*

2) *Implementation of all the transmission packages proposed for evacuation of 4.5 GW RE injection at Khavda RE park under Phase-II (Part A to Part D) needs to be taken up in similar timeframe.*

3) *Developer of Lakadia P.S. to provide space for 2 no. of 765 kV line bays Lakadia PS end for termination of KPS2 (GIS) – Lakadia 765 kV D/C line.*

2. Based on the competitive bidding carried out by REC Power Development and Consultancy Limited (hereinafter referred to as “RECPDCL”) in its capacity as the Bid Process Coordinator (BPC) in accordance with the Guidelines issued by the Ministry of Power, Government of India under Section 63 of the Act, Adani Transmission Limited (ATL) was declared the successful bidder with the lowest quoted annual transmission charges of Rs. 1189.04 million.

3. The Commission, after considering the application of the Petitioner in light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 5.7.2023, *prima facie* proposed to grant the transmission licence to the Petitioner.

Relevant extracts of the order dated 5.7.2023 are extracted as under:

“23. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the transmission system as described in para 1 of this order. We therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission, by 21.7.2023.”

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 14.7.2023 in all editions of The Hindustan Times (English) and Rashtriya Sahara (Hindi). Nsuggestions/ objections have been received from members of the public in response to the public notice.

5. The case was called out for the hearing on 26.7.2023. It was submitted by the Petitioner that, in response to the public notice published by the Commission, no objection has been received.

6. Vide Record of Proceedings for the hearing dated 26.7.2023, the Petitioner was directed to submit a copy of Form II posted on its website along with the date of posting required as per Regulation 7 (7) of the Transmission Licence Regulations read with the Order dated 22.1.2022 in Petition No. 1/SM/2022. In response, the Petitioner, vide its affidavit dated 5.8.2023, has submitted that the Petitioner issued public notice in two newspapers (each in English and vernacular language) on 14.4.2023 and that its

compliance was submitted to the Commission on 17.5.2023. The Petitioner has further submitted that it has also uploaded a Form II and the Petition on its website. The Petitioner has uploaded its transmission Licence Petition in the regulatory section, whereas inadvertently notices (Form II) in English and Gujarati language were uploaded at different places. Now, the Petitioner has uploaded the Petition as well as Form II (in English and Gujarati language) along with transmission licence Petition in regulatory section of Adani Transmission`s website on 31.7.2023, and a screenshot of the same is provided as an Annexure 1 for the record of the Commission.

7. Vide Record of Proceedings for the hearing dated 26.7.2023, CTUIL was directed to clarify item 2 under the scope of work regarding “1x110 MVAr bus reactor at KPS2 (GIS)”, and how the implementation of all the transmission packages proposed for evacuation of 4.5 GW RE injection at Khavda RE park under Phase-II (Part A to Part D) shall be ensured in the same timeframe. In response, CTUIL, vide its affidavit dated 3.7.2023, has submitted the status of RE Generators at Khavda RE Park that are linked with the Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase- II as under:

| S. No. | Name of RE Generator | Name of PS | Quantum (MW) | Status (Under implementation) |
|--------------|---|------------|--------------|---|
| 1 | Adani Green Energy Limited | KPS-1 | 1000 | Scheduled date for the completion of RE Projects: March, 2025 |
| 2 | Adani Green Energy Limited | KPS-1 | 1000 | |
| 3 | Adani Green Energy Limited | KPS-1 | 1050 | |
| 4 | Adani Green Energy Limited | KPS-3 | 1050 | |
| 5 | Adani Renewable Energy Holding Four Limited | KPS-1 | 417 | Scheduled date for completion of RE Projects: March, 2025 |
| 6 | Gujarat State Electricity Corporation Limited | KPS-2 | 1000 | Scheduled date for completion of RE Projects: March 2025 |
| Total | | | 5517 | |

8. As regards the grant of transmission licence, Clauses (15) and (16) of Regulation 7 of the Transmission Licence Regulations provide as under:

“(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice as aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reason.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long-term customers, or the person who has filed suggestions and objections, or any other person: Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application.”

9. In our order dated 5.7.2023, we had proposed to grant a transmission licence to the Petitioner company and directed for the issue of public notice. In response to the public notice, no suggestions/objections have been received. CTUIL, in its letter dated 9.5.2023, has recommended the grant of a transmission licence to the Petitioner. We find that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for the grant of a transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that a transmission licence be granted to the Petitioner, ‘Khavda II-A Transmission Limited’, to establish the Inter-State Transmission System for “Transmission scheme for evacuation of 4.5 GW RE Injection at Khavda PS under Phase II – Part A”, on a Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

10. The grant of the transmission licence to the Petitioner (hereinafter referred to as “the licensee”) is subject to the fulfilment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years from the date of issue;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof and the terms and condition of the TSA during the period of subsistence of the licence;

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the Project, the licensee may make an application, two years before the expiry of initial licence period, for the grant of transmission licence for another term in accordance with the provisions of Regulation 13(2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part

thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the provisions of the Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide the non-discriminatory open access to its Transmission System for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, as amended from time to time or any subsequent re-enactments thereof; and the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022;

(i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;

(j) The licensee shall remain bound by the provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular, the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure execution of the Project within timeline specified in the Schedule 3 of the TSA and as per the Technical Standards and the Grid Standards of CEA prescribed in Article 5.1.1 and Article 5.4 of the TSA;

(m) The licensee shall coordinate with the licensees (including deemed licensees) executing the upstream or downstream transmission projects, the Central Electricity Authority and CTUIL for ensuring smooth execution and commissioning of the Project; and

(n) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, Standard of Performance Regulations, Transmission Service Agreement or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

(o) The licensee shall ensure compliance with the Crisis Management Plan of the Government of India prepared by the Cabinet Secretariat under Section 37 of the Disaster Management Act, 2005.

11. It is expected that while carrying out the survey, the Petitioner has complied with the provisions of clauses 2.5.7.3, 2.5.7.4, and 2.5.7.5 of the RfP. The Petitioner will comply with the provisions of the bidding documents and TSA for the commissioning of the Project within the SCOD.

12. CTUIL / its appointed Independent Engineer and the Central Electricity Authority shall monitor the execution of the Project and bring to the notice of the Commission any lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Transmission Service Agreement executed between the licensee & Nodal Agency, the Act, and the Transmission Licence Regulations.

13. Let an extract copy of this order be sent to CTUIL and CEA for information and necessary action.

14. Petition No. 124/TL/2023 is allowed in terms of the above.

Sd/-
(P.K. Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(I.S. Jha)
Member

Sd/-
(Jishnu Barua)
Chairperson